AMENDMENT TO

CONTRACT FOR THE SALE OF LAND TO REDEVELOPER

BETWEEN

THE CITY OF NEWARK THROUGH THE DEPARTMENT OF DEVELOPMENT

AND

K. HOVNANIAN AT NEWARK II, INC.

PROJECT: UNIVERSITY HEIGHTS REDEVELOPMENT PLAN
NEWARK, NEW JERSEY

ROBERT M. SCHWARTZ
ATTORNEY FOR REDEVELOPER
10 HIGHWAY 35
P. O. BOX 500
RED BANK, NEW JERSEY 07701

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WHEREAS, the parties entered into a Contract which was signed January 27, 1987 by which the City of Newark, as Seller (the "Agency"), granted a series of options to K. Hovnanian at Newark II, Inc., as Buyer (the "Redeveloper"), to convey to the latter the University Heights Redevelopment Plan Area Sites A, B, C & E (herein "Contract"); and

WHEREAS, the parties have determined that it is in their mutual interest and in the interest of the public at large to amend their Contract pursuant to the terms hereof.

NOW THEREFORE, for $1.00 and other good and valuable consideration the sufficiency of which is acknowledged by the parties, it is on the 4th day of Aug, 1992, agreed as follows:

1. The Site C portion of the property to be conveyed to Redeveloper as stated in Section 7.2 of the Contract be and hereby is reconfigured to exclude from same Tax Block 409, Tax Lots 7, 11 and 12 and Tax Block 404, Lots 1, 2, 3, 4, 6, 7, 8 and 9; and further to include in Site C, Tax Block 408, Tax Lots 37, 39, 41, 43, 45, 47, 49, 50 and 51. Accordingly the Agency's obligation to acquire parcels within Site C which are currently not owned by the City of Newark is considered to be amended consistent with the foregoing. The Site E portion of the property to be conveyed to Redeveloper as stated in Section 6.2 of the Contract be and hereby is reconfigured to include in same Tax Block 404, Tax Lots 1, 2, 3, 4, 6, 7, 8 and 9.

The above reconfigured Sites C & E are graphically depicted on Exhibit A hereto.

2. The Purchase Price to be paid by Redeveloper to the Agency for Site E, as per Section 6.3 of the Contract shall be amended. The Purchase Price for Site E shall be based upon the original Purchase Price for Site E of $240,000.00 divided by the original square footage of Site E, and then multiplied by the number of square feet within the final

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configuration of Site E including all street beds to be vacated as per Section 2.3b of the Contract. Said Purchase Price, as may be adjusted pursuant to the terms of Contract as amended, shall be paid by Redeveloper to the Agency at the Site E Closing pursuant to the terms of the original Contract as amended.

3. The Purchase Price to be paid by Redeveloper to the Agency for Site C, as per Section 7.3 of the Contract shall be amended. The Purchase Price for Site C shall be based upon the original Purchase Price for Site C of $207,000.00 divided by the original square footage of Site C, multiplied by the number of square feet within the final configuration of Site C including all vacated street beds as per Section 2.3b of the Contract. Said Purchase Price, as may be adjusted pursuant to the terms of the Contract as amended, shall be paid by Redeveloper to the City at the Site C Closing pursuant to the terms of the original Contract as amended.

4. The Agency's obligation to vacate the street beds within Sites C & E, as set forth Paragraphs 3.11a, 6.7 and 7.7 of the original Contract, be and hereby are deleted. The Agency shall vacate the following street beds, as graphically depicted on Exhibit A hereto:

a. Site E:
- Academy Street between the East side of Norfolk Street to the West Side of Wickliffe Street
- Newark Street between the North Side of the West Market Street to the South Side of Academy Street
- Wilsey Street between the North Side of the West Market Street to the North Side of School Street
- School Street between the West Side of Wickliffe Street to the West Side of Wilsey Street

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b. Site C: - Newark Street between the North Side of Academy Street to the South Side of Warren Street

- Wilsey Street between the North Side of School Street to the South Side of Warren Street

5. Section 6.6a and Section 7.6a of the Contract be and hereby are amended to reflect that the total number of residential units to be constructed within Sites C and E shall be no greater than 314 residential units. Additionally Section 6.6a shall delete reference to Site C containing construction of a commercial/retail building of not less than 50,000 square feet of floor space. Section 7.6a shall further be amended to reflect that the Redeveloper shall also construct recreational facilities and a Community Building to be used as a recreational facility for all homeowners within Sites A, B, C, D and E. Said facilities are to be located within Sites C and/or E, within a location and with such amenities as may be approved by the Central Ward Planning Board. Redeveloper's Plans for the recreation/clubhouse facilities, unless the Redeveloper deems appropriate in sole discretion, need not contain some or all of the following: clubhouse of approximate size of 40 feet by 60 feet, tot lot area, open and grassed recreation area, tennis courts, an outdoor swimming pool facility with an appropriate deck area.

6. All provisions of the original Contract and its Appendices which are inconsistent with the contents of this Amendment shall be considered amended and shall be read and interpreted so as to be consistent with the terms of this Amendment.

THEREFORE, the parties have hereunto set their hands in seals on the date first written above.

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IN WITNESS WHEREOF, the Agency has caused this Agreement to be fully executed in its name and behalf by its proper officers and its seal to be hereunto duly affixed and attested, and the Redeveloper has caused this Agreement to be duly executed in its name and behalf by its proper corporate officers and its corporate seal to be hereunto duly affixed and attested, on or as of the day first above written.

APPROVED AS TO LEGALITY AND FORM:

MICHELLE HOLLAR-GREGORY
CORPORATION COUNSEL

APPROVED ON THE BASIS OF FACTS SET FORTH:

MARCUS DASHER, JR., DIRECTOR
DEPARTMENT OF DEVELOPMENT

ATTEST:

ROBERT P. MARASCO
CITY CLERK

WITNESS:

CITY OF NEWARK

SHARPE JAMES, MAYOR

K. HOVNANIAN AT NEWARK II, INC.

Conrad E. Gack

CONRAD E. GACK, PRESIDENT

ATTEST:

ROBERT M. SCHWARTZ
ASSISTANT SECRETARY
K. HOVNANIAN AT NEWARK II, INC.

CORPORATE SEAL
K HOVNANIAN AT NEWARK II, INC.

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STATE OF NEW JERSEY:

COUNTY OF Hunterdon ss.

I CERTIFY that on August 4,1992 Robert M. Schwartz personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Assistant Secretary of K. Hovnanian at Newark II, Inc., the corporation named in the attached document;

(b) this person is the attesting witness to the signing of this document by the proper corporate officer who is Conrad E. Gack, the President of the corporation;

(c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;

(d) this person knows the proper seal of the corporation which was affixed to this document; and

(e) this person signed this proof to attest to the truth of these facts.

Sworn and Subscribed to before me this 5 day of August 1992.

Ronald H. Stalzian
Attorney at Law of N.J.

Robert M. Schwartz, Asst. Secretary

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